

PUBLIC DISCLOSURE

August 10, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mechanics Cooperative Bank
Certificate Number: 26634

316 Broadway
Taunton, Massachusetts 02780

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **High Satisfactory** by the Division and **Satisfactory** by the FDIC*. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated High Satisfactory by the Division and Satisfactory by the FDIC.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects good penetration of loans among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated High Satisfactory by the Division and Satisfactory by the FDIC.

- The institution demonstrates good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering its capacity and the need and availability of such opportunities for community development in the assessment area.

* Please note the FDIC's rating matrix does not provide for a "High Satisfactory" rating; however, the FDIC and the Division agree on the Bank's overall performance levels.

SCOPE OF EVALUATION

General Information

Interagency Intermediate Small Institution Examination Procedures were utilized for the evaluation. These procedures utilize two performance tests: the Lending Test and the Community Development Test. This evaluation considered the bank's lending and community development activities for the period of November 17, 2009 through August 10, 2015.

The Lending Test addresses the bank's record of meeting the credit needs of its designated assessment area through consideration of the institution's home mortgage and small business lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the average net loan-to-deposit (LTD) ratio since the previous evaluation; 2) the concentration of lending within the assessment area; 3) the dispersion of loans to borrowers and small businesses in low-, moderate-, middle- and upper-income geographies in the assessment area; 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses of different revenue sizes; and 5) the response to CRA complaints.

The Community Development Test evaluates the bank's responsiveness to the community development needs of its assessment area through the provision of community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area(s).

Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating.

Loan Products Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

The bank's record of originating home mortgage loans contributed more weight to overall conclusions due to the larger loan volume when compared to small business lending during the past two calendar years. Also, no other loan types, such as small farm loans or consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented. The following table indicates a majority of the bank's lending activity is focused in residential loans.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage	655	118,482	655	118,482
Small Business	109	22,435	49	10,127
Small Farm	0	0	0	0
Source: HMDA LARs from 1/1/2013 through 6/30/15. Small business loans from bank records for 2014 and first two quarters of 2015. Small farm data from Report of Condition 3/31/2015.				

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. This evaluation considered all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for 2013, 2014, and first two quarters of 2015. The bank reported 326 loans totaling \$51.9 million for 2013 and 217 loans totaling \$43.5 million for 2014. Examiners noted a declining trend in loan volume between 2013 and 2014 due to an overall decline in loan demand within the bank's lending area. It should be noted this decline was an industry wide trend and did not reflect negatively on the bank's performance.

In addition, examiners selected a sample of small business loans originated in the period January 1, 2014, through June 30, 2015. This sample was considered representative of the bank's performance during the entire evaluation period. The bank originated 69 small business loans totaling \$16.2 million in 2014, of which 28 totaling \$6.8 million were sampled. The bank also originated 40 small business loans totaling \$6.3 million in 2015, of which 21 totaling \$3.3 million were sampled. The universe of small business loans excludes loans that received community development consideration under the Community Development Test. Dun & Bradstreet (D&B) data for 2014 provided a standard of comparison for the sampled small business loans.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses and individuals served. The bank's home mortgage lending activities were compared to demographic data and aggregate lending data for 2013, which is the most recent year for which aggregate data is available. The bank's 2014 residential lending data was analyzed to identify any significant trends and was compared only to demographic data, as applicable. Additionally, 2014 lending was also compared to the bank's 2013 and 2015 lending data to identify any trends. A comparison to aggregate data for 2014 could not be conducted as that data was not available as of the evaluation date.

Market share reports and aggregate data presented in this evaluation include originated and purchased loans, as this represents the market for residential mortgage loans for financial institutions that are subject to the reporting requirements of HMDA. This excludes financial institutions that do not have an office in a Metropolitan Statistical Area (MSA) and financial institutions that do not meet the minimum asset size threshold for HMDA reporting.

The Community Development Test included an analysis of the bank's qualified community development loans, investments, and services from November 17, 2009 through August 10, 2015. Qualified community development grants and donations for the same period were also included. Qualified equity investments currently held by the bank were also included regardless of investment date.

Metropolitan Statistical Area Review

All of the bank's branches are located in Massachusetts. As shown in the following table, the majority of the bank's activities are within the Providence-Warwick, RI-MA MSA portion of its assessment area. The Providence-Warwick, RI-MA MSA portion of the bank's assessment area

received a full-scope review and carried the most weight in arriving at the overall rating. The bank has only one branch in the Boston-Cambridge-Newton, MA-NH MSA, and lending in this area represents approximately 10.6 percent of total residential lending. Therefore, the Boston-Cambridge-Newton, MA-NH MSA portion of the bank's assessment area received a limited-scope review.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Boston-Cambridge-Newton, MA-NH MSA	7,609	10.6	28,312	7.5	1	12.5
Providence-Warwick RI-MA MSA	64,394	89.4	351,599	92.5	7	87.5
Total	72,003	100.0	379,911	100.0	8	100.0
<i>Source: HMDA LARs 2013, 2014 and first two quarters of 2015; FDIC Deposit Market Share for 2014</i>						

DESCRIPTION OF INSTITUTION

Background

Mechanics Cooperative Bank was established in 1855 as a Massachusetts chartered savings bank under a mutual holding company. Mechanics Cooperative Bank is a wholly owned subsidiary of the Mechanics Bancorp Mutual Holding Inc., a one bank mutual holding company.

Operations

The bank's corporate headquarters is located at 308 Bay Street in Taunton, located in a moderate-income census tract. The bank operates eight full-service branch offices; two of them located in Taunton (including the main office) and one office each in Bridgewater, Fall River, North Dighton, Somerset, Swansea, and Westport. The bank also operates a loan center in Taunton, located in moderate-income census tract. The Fall River branch is located in a low-income census tract; five branches are located in middle-income census tracts and two branch offices are located in upper-income census tracts.

All branches, corporate headquarters and the loan center are equipped with 24-hour automated teller machines (ATMs), and all of the branches have drive-up facilities. The bank has ten ATMs, nine of which accept deposits and five are connected to SUM[®], an alliance between many community banks that have agreed not to assess ATM surcharge fees to any of the other member banks' customers.

Mechanics Cooperative Bank is a full-service financial institution that offers a wide variety of products and services. The bank offers a variety of residential mortgage loans including fixed, adjustable, first time homebuyer mortgages, "Buy Fall River Now," "Home for the Brave," home equity lines of credit and home equity loans. The bank offers commercial and small business loans for the purchase or refinance of commercial mortgages, term loans, letters/lines of credit, Small Business Administration (SBA) loans and small business banking partnership program.

The bank also offers deposit products and services including checking accounts, savings accounts, money market accounts, certificates of deposit, and IRAs. Services for businesses include business checking, merchant credit card service, and ACH/automatic bill payment. Other services include free telephone banking, free internet banking and bill pay, master money debit cards and free e-Statements.

Ability and Capacity

As of June 30, 2015, the bank had total assets of \$472 million and total deposits of \$388 million. Loans totaled \$379 million and represented 80.3 percent of total assets. The bank's net loan-to-deposit ratio, as of the same date, was 97.7 percent.

Mechanics Cooperative Bank is primarily a residential lender with a majority of the loan portfolio secured by residential properties. As noted in the Table below, approximately 45.3 percent of the loans are secured by one-to-four family residential properties, followed by commercial real estate loans at 32.8 percent, and multi-family residential loans at 6.6 percent.

The following table illustrates the current distribution of the bank's loan portfolio.

Loan Portfolio Distribution as June 30, 2015		
Loan Category	\$(000s)	%
Construction and Land Development	28,798	7.6
Secured by Farmland	181	0.1
1-4 Family Residential	171,776	45.3
Multi-family (5 or more) Residential	25,148	6.6
Commercial Real Estate	124,298	32.8
Total Real Estate Loans	350,201	92.4
Commercial and Industrial	21,693	5.7
Consumer	7,087	1.9
Other	69	0.0
Total Loans	379,050	100.0
<i>Source: Reports of Income and Condition</i>		

The Division and FDIC last evaluated the bank's CRA performance as of November 16, 2009 and assigned a rating of "High Satisfactory" by the Division and "Satisfactory" by the FDIC.

There are no apparent financial or legal impediments that would limit the bank's ability to help meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Mechanics Cooperative Bank designated a single assessment area in Massachusetts that includes a portion of the Providence-Warwick RI-MA Metropolitan Statistical Area (MSA) and Boston, MA Metropolitan Division (MD). The Boston, MA MD is part of the Boston-Cambridge-Newton, MA-NH MSA and includes a portion of Plymouth County. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The bank's assessment area includes the following 19 municipalities located within Bristol and Plymouth Counties:

Providence-Warwick RI-MA MSA – Bristol County: Berkley, Dartmouth, Dighton, Easton, Fall River, Freetown, Norton, Raynham, Rehoboth, Somerset, Swansea, Taunton, and Westport.

Boston, MA MD – Plymouth County: Bridgewater, East Bridgewater, Halifax, Lakeville, Middleborough, and West Bridgewater.

The bank's assessment area includes 88 census tracts that reflect the following income designations according to the 2010 U.S. Census:

- 12 low-income tracts,
- 11 moderate-income tracts,
- 40 middle-income tracts,
- 24 upper-income tracts, and,
- 1 tract where income is not available

Fall River contains nine low- and nine moderate-income tracts, representing the vast majority of the area's low- and moderate-income tracts. Taunton contains two low- and two- moderate-income tracts, with the remaining low-income tract in Bridgewater. The following table provides demographic and economic information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	88	13.6	12.5	45.5	27.3	1.1
Population by Geography	406,335	10.8	10.0	49.5	29.2	0.5
Housing Units by Geography	162,690	12.9	11.5	49.6	26.0	0.0
Owner-Occupied Units by Geography	103,753	4.3	6.9	56.0	32.8	0.0
Occupied Rental Units by Geography	46,397	29.3	21.2	36.9	12.6	0.0
Vacant Units by Geography	12,540	23.3	14.3	43.8	18.6	0.0
Businesses by Geography	26,918	10.2	7.4	51.9	30.4	0.1
Family Distribution by Income Level	104,072	9.3	9.7	51.7	29.3	0.0
Median Family Income	80,725	Median Housing Value				335,096
FFIEC-Estimated Median Family Income for 2014	83,852	Median Gross Rent				798
		Families Below Poverty Level				6.9%

Source: 2010 U.S. Census, 2014 D&B Data, and FFIEC Estimated Median Family Income; () The NA category consists of geographies that have not been assigned an income classification.*

The table shows lower than expected distributions of owner-occupied housing units and businesses in the low- and moderate-income tracts. This affects opportunities to make home mortgage and small business loans in these tracts.

According to 2014 D&B data, there were 26,918 non farm businesses. Gross annual revenues (GARs) for these businesses are below.

- 73.1 percent have \$1 million or less.
- 5.2 percent have more than \$1 million.
- 21.7 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. Service industries represent the largest portion of businesses at 42.6 percent; followed by retail trade (14.1 percent); construction (11.2 percent); and finance, insurance, and real estate (7.7 percent). In addition, 66.2 percent of area businesses have four or fewer employees, and 91.2 percent operate from a single location.

The 2013, 2014 and 2015 FFIEC-updated median family income levels are used to analyze home mortgages loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table. These categories are based on the FFIEC-updated median family incomes of \$71,100 (2013), \$72,200 (2014), and \$74,400 (2015) for the Providence-Warwick RI-MA MSA area, and \$88,000 (2013), \$87,200 (2014), and \$90,000 (2015) for the Boston, MA MD area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Providence-Warwick RI-MA MSA Median Family Income				
2013 (\$71,110)	<\$35,550	\$35,550 to <\$56,880	\$56,880 to <\$85,320	≥\$85,320
2014 (\$72,200)	<\$36,100	\$36,100 to <\$57,768	\$57,768 to <\$86,640	≥\$86,640
2015 (\$74,400)	<\$37,200	\$37,200 to <\$59,520	\$59,520 to <\$89,280	≥\$89,280
Boston, MA MD Median Family Income				
2013 (\$88,000)	<\$44,000	\$44,000 to <\$70,400	\$70,400 to <\$105,600	≥\$105,600
2014 (\$87,200)	<\$43,600	\$43,600 to <\$69,760	\$69,760 to <\$104,640	≥\$104,640
2014 (\$90,000)	<\$45,000	\$45,000 to <\$72,000	\$72,000 to <\$108,000	≥\$108,000
<i>Source: FFIEC</i>				

There are 162,690 housing units. Of these, 63.7 percent are owner-occupied, 28.5 percent are occupied rental units, and 7.7 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are no owner-occupied housing units in the census tract without an income designation.

Data obtained from the U. S. Bureau of Labor and Statistics indicate that the year-end unemployment rate was 6.6 percent for 2013 and 5.7 for 2014 statewide. However, the rate varied from 8.7 percent for Bristol County to 7.0 percent for Plymouth County in 2013 and 7.3 percent for Bristol County to 6.0 percent for Plymouth County in 2014. Unemployment rates slightly dropped during the evaluation period.

Competition

The assessment area is moderately competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 2014, there were 17 financial institutions that operated 96 full-service branches within the bank's assessment area. Of these institutions, Mechanics Cooperative Bank ranked 6th with a 7.6 percent deposit market share.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. The aggregate data, however, reflects the level of demand for small business loans. Aggregate data for 2013 shows that 77 institutions reported 15,640 small business loans in the bank's assessment area. This data indicates a moderate level of competition.

There is a very high level of competition for home mortgage loans among numerous banks, credit unions, and non-depository mortgage lenders. In 2013, 355 lenders reported a total of 15,757 residential mortgage loans originated or purchased. Mechanics ranked 20th out of this group of lenders, with a market share of 1.5 percent. The three most prominent home mortgage lenders accounted for 25.1 percent of total market share.

Community Contact

As part of the evaluation process, third parties active in the assessment area are contacted to assist in assessing the credit and community development needs of the community. The

information obtained helps to determine whether local financial institutions are responsive to the credit and community development needs of the communities, and what credit and community development opportunities, if any, are available.

A community contact was conducted with a non-profit housing agency whose purpose is exclusively for education and charitable purposes; to produce and to advocate for the production of affordable housing; to prevent loss of, or displacement from existing housing; to eliminate discrimination in housing and to bring together diverse groups and individuals to aggressively work towards solutions. The contact stated the need for financial literacy, community-related development projects and small business loans. The contact stated that community banks play a vital role in helping communities prosper and have done so by sponsoring or providing funding, grants and home consortiums, as well as presenting financial literacy programs. The contact stated the area is still struggling with unemployment and other social service needs. Overall, the contact was very pleased with the responsiveness of the local community banks to the area's credit needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing loans represent a primary credit need for the assessment area. Opportunity exists for originating such loans, particularly in the Taunton and Fall River areas. Small business lending opportunities and demand are also a significant need throughout the assessment area. Furthermore, as indicated by community contact information and demographic and economic data, the assessment area has community development needs for charitable donations to community development service agencies and access to financial education programs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Mechanics Cooperative Bank demonstrated good performance under the Lending Test. The bank's Geographic Distribution and Borrower Profile performance primarily support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 77.6 percent over the past 22 calendar quarters from December 31, 2009, to March 31, 2015. The ratio ranged from a low of 62.5 percent as of December 31, 2009, to a high of 94.8 percent as of December 31, 2014. The ratio steadily increased during the evaluation period. Mechanics maintained a ratio similar to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/15 \$ (000s)	Average Net LTD Ratio (%)
The Bank of Canton	629,599	90.4%
Norwood Co-operative Bank	403,883	86.9%
Mansfield Co-operative Bank	457,980	85.9%
Mechanics Cooperative Bank	453,217	77.6%
Bridgewater Savings Bank	489,856	76.4%
North Easton Savings Bank	498,644	70.2%
<i>Source: Reports of Income and Condition 12/31/09 through 03/31/15</i>		

Assessment Area Concentration

The bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2013	241	73.9	85	26.1	326	35,736	68.8	16,213	31.2	51,949
2014	131	60.4	86	39.6	217	20,443	47.0	23,019	53.0	43,462
2015	80	71.4	32	28.6	112	15,824	68.6	7,247	31.4	23,071
Subtotal	452	69.0	203	31.0	655	72,003	60.8	46,479	39.2	118,482
Small Business*										
2014	22	78.6	6	21.4	28	4,390	64.2	2,446	35.8	6,836
2015	14	66.7	7	33.3	21	711	21.6	2,580	78.4	3,291
Subtotal	36	73.5	13	26.5	49	5,101	50.4	5,026	49.6	10,127
Source: 2013, 2014, and two quarters of 2015 HMDA Reported Data, (*)Bank Records – 2014 and two quarters of 2015										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's strong performance of home mortgage lending and reasonable small business lending performance supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. Examiners focused on the comparison to aggregate data. The following table shows that the bank's performance in low-income census tracts far exceeds the aggregate level, at 6.5 percentage points higher. In moderate-income areas, the bank again exceeded aggregate, at 4.9 percentage points higher. The following table also reflects the bank's continued strong performance through 2014 and first two quarters of 2015.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2013	4.3	3.5	24	10.0	3,502	9.8
2014	4.3	--	17	13.0	2,105	10.3
2015	--	--	8	10.0	1,936	12.2
Moderate						
2013	6.9	5.9	26	10.8	3,776	10.6
2014	6.9	--	11	8.4	1,771	8.7
2015	--	--	7	8.7	1,083	6.9
Middle						
2013	56.0	55.6	122	50.6	17,509	49.0
2014	56.0	--	68	51.9	10,986	53.7
2015	--	--	38	47.5	8,006	50.6
Upper						
2013	32.8	34.9	69	28.6	10,949	30.6
2014	32.8	--	35	26.7	5,581	27.3
2015	--	--	27	33.7	4,799	30.3
Totals						
2013	100.0	100.0	241	100.0	35,736	100.0
2014	100.0	--	131	100.0	20,443	100.0
2015	--	--	80	100.0	15,824	100.0
Source: 2010 U.S. Census; 2013, 2014, and two quarters of 2015 HMDA Reported Data; 2013 HMDA Aggregate Data; "--" data not available						

Market share data further supported the bank's excellent performance. In 2013, the bank ranked 4th out of 82 HMDA reporters in originating loans in low-income census tracts with a 5.6 percent market share. The bank ranked 10th out of 102 HMDA reporters in originating loans in moderate-income census tracts with a 3.5 percent market share. In addition, the bank ranks 7th out of 121 HMDA reporters in originating loans in both low- and moderate-income census tracts in 2013. Considering the bank's size, lending opportunities, and competition, this reflects excellent performance.

Small Business Loans

The geographic distribution of sampled small business loans reflects reasonable dispersion. The following table shows that the bank's performance in low-income census tracts was slightly below business demographics. This difference, also considering competition and the bank's capacity, reflects reasonable performance. The bank's level of lending in moderate-income areas was also lower; however, the addition of just one loan in a moderate-income tract would bring bank performance above demographics.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2014	10.2	2	9.1	243	5.5
2015	-	2	14.3	134	18.8
Moderate					
2014	7.4	1	4.5	700	15.9
2015	-	0	0.0	0	0.0
Middle					
2014	51.9	17	77.3	3,162	72.0
2015	-	8	57.1	479	67.4
Upper					
2014	30.4	2	9.1	285	6.6
2015	-	4	28.6	98	13.8
Total					
2014	100.0	22	100.0	4,390	100.0
2015	-	14	100.0	711	100.0
<i>Source: 2014 D&B Data, Bank Records</i>					

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is good. Examiners focused on the comparison to aggregate data.

Home mortgage lending to low-income borrowers, at 7.1 percent, is good when compared to the aggregate data of 5.3 percent. Especially considering a low-income family in the assessment area, with an income of \$41,926 or less would not likely qualify for a mortgage under conventional underwriting standards with the median housing value of \$335,096. This also helps explain the difference between bank performance of lending to low-income borrowers and the 9.3 percent of families of this income level. The demand and opportunity for lending to low-income families are relatively limited. The bank's performance of lending to moderate-income borrowers, at 19.5 percent, also exceeds aggregate at 16.9 percent and far exceeds the percent of families of this income level at 9.7 percent.

The following table also reflects the bank's continued good performance through 2014 and the first two quarters of 2015. The bank's percentage of loans to low-income borrowers increased notably in 2014.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2013	9.3	5.3	17	7.1	1,771	5.0
2014	9.3	--	16	12.2	1,601	7.8
2015	--	--	3	3.7	411	2.6
Moderate						
2013	9.7	16.9	47	19.5	5,359	15.0
2014	9.7	--	23	17.6	2,036	10.0
2015	--	--	8	10.0	1,329	8.4
Middle						
2013	51.7	26.1	54	22.4	5,910	16.5
2014	51.7	--	23	17.5	2,396	11.7
2015	--	--	18	22.5	3,498	22.1
Upper						
2013	29.3	38.4	73	30.3	13,672	38.3
2014	29.3	--	36	27.5	5,866	28.7
2015	--	--	26	32.5	4,835	30.5
Income Not Available						
2013	0.0	13.3	50	20.7	9,024	25.2
2014	0.0	--	33	25.2	8,544	42.8
2015	--	--	25	31.2	5,751	36.3
Total						
2013	100.0	100.0	241	100.0	35,736	100.0
2014	100.0	--	131	100.0	20,443	100.0
2015	--	--	80	100.0	15,824	100.0
<i>Source: 2010 U.S. Census; 2013, 2014, and two quarters of 2015 HMDA Reported Data; 2013 HMDA Aggregate Data; "--" data not available</i>						

Market share data further supported the bank's good performance under this criterion. In 2013, the bank ranked 14th out of 114 lenders in originating loans to low-income borrowers with a 2.3 percent market share. It again ranked 14th out of 174 lenders in originating loans to moderate-income borrowers with a 2.1 percent market share. These market rankings are relatively consistent with the bank's overall market rank of 20th in the assessment area in 2013.

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that 54.5 percent of the sampled loans were originated to businesses with GARs of \$1 million or less. Although this performance

is below the percentage of businesses in this revenue category, it is reasonable considering this is the institution's secondary product.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000					
2014	73.1	12	54.5	2,863	65.2
2015	-	8	57.1	291	40.9
> \$1,000,000					
2014	5.2	10	45.5	1,527	34.8
2015	-	6	42.9	420	59.1
Revenue Not Available					
2014	21.7	0	0	0	0
2015	-	0	0	0	0
Total					
2014	100.0	22	100.0	4,390	100.0
2015	100.0	14	100.0	711	100.0
<i>Source: 2014 D&B Data, Bank Records</i>					

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans

During the evaluation period, the bank originated 64 community development loans totaling \$19.0 million. The bank's community development lending includes 20 loans totaling \$7.5 million outside the assessment area to entities that serve within the broader regional area that includes the assessment area. Although these loans do not directly benefit the assessment area, the bank has been responsive to the community development needs of its assessment area; therefore, these loans received consideration under the Community Development Test. The following table illustrates the bank's community development lending activity by year and purpose.

Community Development Lending												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
11/17/2009 – 12/31/2009	1	115	0	0	5	2,000	0	0	0	0	6	2,115
2010	1	210	0	0	6	3,039	0	0	0	0	7	3,249
2011	0	0	0	0	13	4,894	0	0	0	0	13	4,894
2012	0	0	0	0	15	4,419	0	0	0	0	15	4,419
2013	3	751	0	0	4	748	0	0	0	0	7	1,499
2014	2	411	0	0	5	752	0	0	0	0	7	1,163
YTD 2015	1	250	0	0	8	1,393	0	0	0	0	9	1,643
Total	8	1,737	0	0	56	17,245	0	0	0	0	64	18,982
<i>Source: Bank Records from November 17, 2009 through August 10, 2015</i>												

Listed below is a sample of the qualified community development loans made during the evaluation period:

- On June 22, 2010, the bank originated an \$840,000 loan to a local developer for the development of a 40B residential subdivision. The project falls under the State of Massachusetts 40B program which supports affordable housing development by offering certain benefits if a certain percentage of units have long-term affordability. Of the 52 housing units, 13 or 25 percent are designated as affordable, resulting in \$210,000 qualified as community development.
- In 2014, the bank originated a \$1 million loan to a local developer for the construction of 25 housing units, with 5 or 20 percent of the units designated as affordable, resulting in \$200,000 qualified as community development.
- During the examination period, the bank originated seven Massachusetts Capital Access Program (Mass CAP) loans for a total of \$160,000. The Mass CAP is designed to help small businesses with less than \$5 million in revenues obtain loans from banks. The loans may be used to start or expand businesses, or to provide working capital to ensure stability of operations. The program has a primary purpose of economic development.
- The SBA 7A and Express loans apply to business and real estate loans with a 75 percent SBA guarantee up to \$750,000. These SBA loans offer smaller down payments, flexible terms, and guarantees that assist small businesses in opening, expanding, or continuing their business. During the evaluation period, the bank originated 31 loans totaling \$4.1 million through this program that promoted economic development.
- The bank originated 18 SBA 504 loans totaling \$13 million to local businesses. The SBA 504 Loan program is designed to provide financing for the purchase of fixed assets (real estate, buildings, and machinery). The development of these businesses creates employment opportunities and promote economic development.

Community Development Investments

The bank's total investments and donations during the evaluation period were \$1.4 million. This figure includes a new investment and charitable donations made to qualified organizations during the evaluation period.

Equity Investments

On August 3, 2015, the bank purchased a Ginnie Mae mortgage backed security totaling just over \$1 million. The security is backed by mortgages located within the bank's assessment area to low- and moderate-income borrowers.

Qualified Donations

The bank donated over \$1.5 million to charitable organizations from November 17, 2009 through August 10, 2015. Of this total, \$373,100 or 24.7 percent were qualified CRA contributions. During the last examination, the bank made 99 qualifying contributions totaling \$132,902. These funds primarily support organizations that provide community services to low- and moderate-income individuals and families.

The table below details all qualified donations made during the review period by year and community development category.

Qualified Investments												
	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Prior Period	10	9,425	70	96,855	19	26,622	0	0	0	0	99	132,902
11/17/2009 – 12/31/2009	0	0	0	0	1	375	0	0	0	0	1	375
2010	3	13,000	12	25,874	2	1,497	1	1,775	0	0	18	42,146
2011	3	14,000	12	12,670	7	5,590	1	500	0	0	23	32,760
2012	5	16,500	27	71,150	3	1,250	2	600	0	0	37	89,500
2013	4	16,200	18	55,750	2	1,875	1	1,250	0	0	25	75,075
2014	4	20,495	21	39,574	5	29,000	1	250	0	0	31	89,319
YTD 2015	2	5,525	9	36,900	2	1,500	0	0	0	0	13	43,925
Total	21	85,720	97	241,918	22	41,087	6	4,375	0	0	148	373,100

Source: Bank Records from November 17, 2009 through August 10, 2015

Samples of the organizations receiving donations are listed below:

Steppingstone Inc. – This organization aims to improve the quality of life for individuals and families by providing comprehensive, client-centered programs and services that enhance well-being and promote independence. The organization provides apartments to disabled and chronically homeless individuals and families.

Bethany Gospel Chapel – Located in Swansea, MA, the Bethany Gospel Chapel offers a monthly food share program to those in need.

Raynham Food Basket – The Food Basket is a local food pantry that serves nearly 250 families and 500 individuals in Raynham. It holds bi-monthly grocery distribution events.

Citizens for Citizens –Citizens for Citizens is primarily a fuel assistance organization that helps eligible households heat their homes during the winter months. The organization serves the Greater Taunton and Fall River area.

Coyle Cassidy Food Pantry – The Coyle Cassidy Food Pantry is unique in that it is run by a number of student coordinators and volunteers at Coyle Cassidy High School in Taunton. The organization disburses approximately 300 care packages on a monthly basis to low-income families.

Downtown Taunton Foundation (DTF) – The DTF is dedicated to revitalizing the downtown area of Taunton, which includes both low- and moderate-income census tracts. Specifically, it focuses on promoting the arts, ridding the city of blight, and creating affordable housing. The organization works in conjunction with the Taunton Business Improvement District to engage in revitalization projects such as sidewalk cleaning and window washing.

Teach for America – Teach for America recruits talented recent graduates to teach at schools in low- income communities to reduce the educational inequities within those communities and provide students with a high-level education regardless of their socioeconomic status.

Community Development Services

During the evaluation period, 40 bank employees provided 173 instances of financial expertise or technical assistance to 36 community development organizations. The following table illustrates the bank’s community development services by year and purpose.

Community Development Services						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
11/17/2009 – 12/31/2009	0	0	0	0	0	0
2010	7	4	10	1	0	22
2011	5	6	12	2	0	25
2012	5	10	8	2	0	25
2013	5	9	17	0	0	31
2014	5	11	19	1	0	36
YTD 2015	4	10	18	2	0	34
Total	31	50	84	8	0	173
<i>Source: Bank Records from November 17, 2009 through August 10, 2015</i>						

The following illustrates notable examples of the bank's community development services:

Workforce Investment Board – The Board is comprised of leaders from business, education, government, labor, and the community. This organization provides education and training programs to low-income residents in the Fall River and Taunton area. A Director of the Bank is a Member of the Board of Directors.

SER Jobs for Progress – This organization provides necessary skills in order to place individuals in the workforce, ranging from GED programs to detailed training, including English as a second language. The Senior Vice President of Commercial Lending and the Senior Loan Officer are Board Members.

Pro-Home, Inc. – Pro-Home advocates for and produces affordable housing; prevents loss of or displacement from existing housing; and seeks to eliminate discrimination in housing and to bring together diverse groups. The Vice President Residential and Consumer Lending is the Vice President and a Board Member.

Heart of Taunton, Inc. (HOT) – HOT is a privately funded, non-profit organization dedicated to revitalizing the downtown area of Taunton. Their mission is to serve as a key facilitator of local, regional and national relationships and resources to transform Taunton's downtown into a regional destination for commerce and culture. A Loan Officer is a Board Member.

Greater Fall River RE-CREATION - Formerly known as the "CD-REC," this non-profit recreation and prevention based organization provides educational and developmental programs to the residents in the Greater Fall River area, emphasizing economically disadvantaged youths. The Vice President Consumer and Residential Lending is a Board Member.

MassDevelopment – This organization is the state's economic development and finance agency that works with businesses, nonprofits, and local, state, and federal officials and agencies to stimulate economic growth across the Commonwealth. Through these collaborations they help create jobs, increase the number of housing units, revitalize urban environments, and address factors limiting economic growth including transportation, energy, and infrastructure deficiencies. A Director is a Board Member.

Educational Services and Seminars

In addition to the bank performing community development services, they also provide educational seminars and workshops. Listed below is a notable sample of some of the seminars and workshops provided by the bank.

- During the evaluation period, the bank's management and staff provided financial literacy training using the FDIC's Money Smart Program. The Money Smart Program is a comprehensive financial education curriculum designed to help low- and moderate-income individuals enhance their financial skills and create positive banking relationships. Topics included: an introduction to bank services; an introduction to credit; how to choose and keep a checking account; how to keep track of your money,

how your credit history will affect your credit future and how to make a credit card work for you. Some of the organizations that attended the training were: the Boys and Girls Club of Fall River and Pro-Home, Inc.

- On February 19, 2014 the bank presented a homeownership seminar to the Fall River Affordable Housing Corporation.
- On April 22, 2014, the Bank participated in a foreclosure prevention event sponsored by NeighborWorks Southern Mass. NeighborWorks Southern Mass believes that affordable housing and stable neighborhoods help individuals and families realize their full dignity and potential. The seminar is designed to educate and assist homeowners who may be struggling to pay their mortgage and other housing related financial obligations. Attendees have the opportunity to meet with housing advisors to learn about the different foreclosure prevention options that could be available.
- On May 13, 2015, in conjunction with the Fall River/New Bedford Housing Partnership, the bank participated in a “workshop for your first step toward homeownership.” Topics included: what does a credit report mean to your financial future; how to obtain credit if you do not have credit; re-establishing credit and the amount of debt you can comfortably afford. The target audience for the workshop was low and moderate-income individuals.

Other Services

The Bank is a member of the Federal Home Loan Bank and has been approved for the Equity Builder Program. The Equity Builder Program (EBP) offers members grants to provide households with incomes at or below 80 percent of the area median income with down-payment, closing-cost, home-buyer counseling, and rehabilitation assistance. During the evaluation period the Bank closed one loan totaling \$13,000.

The Bank participates in the Interest on Lawyers’ Trust Accounts (IOLTA). Lawyers place large client deposits, such as escrow accounts, in interest bearing accounts, with the interest to be paid to the client. Deposits that would individually be too small or too short-term to generate interest are pooled into IOLTA accounts. Interest earned on the account is utilized to help fund

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution’s overall CRA rating.

METROPOLITAN AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE *PROVIDENCE-WARWICK RI-MA MSA*

This portion of the bank's assessment area includes the towns of Berkley, Dartmouth, Dighton, Easton, Fall River, Freetown, Norton, Raynham, Rehoboth, Somerset, Taunton, and Westport. All of the towns are located in Bristol County. All of the bank's branches/offices except one branch are located in the Providence-Warwick RI-MA MSA portion of its assessment area. This section of the bank's assessment area is made up of 69 census tracts: 11 low-income, 11 moderate-income, 27 middle-income, and 20 upper-income census tracts. There was no change in census tract income designations during the evaluation period. The following table shows the 2014 demographics for this area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	69	15.9	15.9	39.1	29.1
Population by Geography	317,826	12.9	12.7	42.3	32.1
Housing Units by Geography	132,258	15.7	14.2	42.5	27.6
Owner-Occupied Units by Geography	80,032	5.5	9.0	48.7	36.8
Occupied Rental Units by Geography	41,530	32.5	23.6	32.1	11.8
Vacant Units by Geography	9,791	27.4	16.7	36.0	19.9
Family Distribution by Income Level	82,847	11.5	12.2	44.8	31.5
Businesses by Geography	20,815	12.9	9.6	44.1	33.4
Median Family Income FFIEC-Estimated Median Family Income for 2014		70,496 72,200	Median Housing Value Median Gross Rent Families Below Poverty Level		308,879 771 7.7%

Source: 2010 U.S. Census, 2014 FFIEC Estimated Median Family Income.

The economic information and competitive nature in this portion on the bank's assessment area are similar to the overall assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN *PROVIDENCE-WARWICK RI-MA MSA*

LENDING TEST

Lending in the Providence-Warwick RI-MA MSA portion is consistent with lending throughout the entire assessment area. During 2013, the bank originated 212, or 65.0 percent, of its residential loans within this portion of the assessment area. In 2014, the bank originated 113 loans, or 52.1 percent, of total assessment area loans in this portion of its assessment area. In 2015, the bank originated 75 loans, or 67.0 percent, of total assessment area loans in this portion of its assessment area. The bank is ranked 16th out of 325 lenders that reported originating a loan within this portion of its assessment area.

Geographic Distribution

Home Mortgage Loans

The geographic distribution of loans reflects excellent penetration throughout this area. The table presents the geographic distribution of residential loans by tract income within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2013	5.5	4.6	22	10.4	3,111	9.7
2014	5.5	--	17	15.0	2,105	11.7
2015	--	--	8	10.7	1,936	13.5
Moderate						
2013	9.0	8.0	26	12.3	3,776	11.8
2014	9.0	--	11	9.7	1,771	9.8
2015	--	--	7	9.3	1,083	7.5
Middle						
2013	48.7	47.8	104	49.1	14,938	46.8
2014	48.7	--	57	50.5	9,488	52.6
2015	--	--	34	45.3	6,727	46.7
Upper						
2013	36.8	39.6	60	28.3	10,120	31.7
2014	36.8	--	28	24.8	4,680	25.9
2015	--	--	2	34.7	4,659	32.3
Totals						
2013	100.0	100.0	212	100.0	31,945	100.0
2014	100.0	--	113	100.0	18,044	100.0
2015	--	--	75	100.0	14,405	100.0
<i>Source: 2010 U.S. Census; 2013, 2014, and two quarters of 2015 HMDA Reported Data; 2013 HMDA Aggregate Data; "--" data not available</i>						

The bank significantly exceeded aggregate data for lending in the low- and moderate-income census tracts. Market share data further supported the bank's strong performance. In 2013, the bank ranked 7th in lending in low-income census tracts with a 4.1 percent market share. The bank ranked 13th lending in moderate-income census tracts with a 2.8 percent market share. These rankings are consistent with the bank's performance in the overall assessment area.

Small Business Loans

The geographic distribution of sampled small business loans reflects reasonable dispersion. The following table shows that the bank's performance in low-income census tracts fell slightly below business demographics. Considering the level of competition in the area and the bank's capacity to make loans, this performance is reasonable. The bank's small business lending in moderate-income tracts also fell below demographic indicators. It should be noted that the low

level of lending makes a difference of just one loan have a significant affect on distribution percentages. Overall, the bank's performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2014	12.9	2	10.5	243	6.2
2015	-	2	20.0	134	30.3
Moderate					
2014	9.6	1	5.3	700	17.9
2015	-	0	0.0	0	0.0
Middle					
2014	44.1	14	73.7	2,688	67.4
2015	-	5	50.0	235	53.2
Upper					
2014	33.5	2	10.5	285	7.3
2015	-	3	30.0	73	16.5
Total					
2014	100.0	19	100.0	3,916	100.0
2015	-	10	100.0	442	100.0
<i>Source: 2014 D&B Data, Bank Records</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's reasonable performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. They also focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is good. Examiners focused on the comparison to aggregate data. Home mortgage lending to low-income borrowers exceeded aggregate data. The bank's performance of lending to moderate-income borrowers, at 19.3 percent, also exceeded aggregate data at 15.5 percent.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2013	11.5	4.9	15	7.1	1,621	5.1
2014	9.3	--	12	10.6	1,1423	7.9
2015	--	--	3	4.0	411	2.8
Moderate						
2013	12.2	15.5	41	19.3	4,706	14.7
2014	9.7	--	21	18.6	2,027	11.3
2015	--	--	8	10.7	1,329	9.2
Middle						
2013	44.8	25.6	47	22.2	5,574	17.4
2014	51.7	--	20	17.7	1,842	10.2
2015	--	--	16	21.3	3,101	21.5
Upper						
2013	31.5	41.2	65	30.7	12,451	39.0
2014	29.3	--	31	27.4	5,059	28.0
2015	--	--	24	32.0	4,359	30.4
Income Not Available						
2013	0.0	12.8	44	20.7	7,593	23.8
2014	0.0	--	29	25.7	7,693	42.6
2015	--	--	24	32.0	5,205	36.1
Total						
2013	100.0	100.0	212	100.0	31,945	100.0
2014	100.0	--	113	100.0	18,044	100.0
2015	--	--	75	100.0	14,405	100.0
<i>Source: 2010 U.S. Census; 2013, 2014, and two quarters of 2015 HMDA Reported Data; 2013 HMDA Aggregate Data; "--" data not available</i>						

Market share data further supported the bank's reasonable performance under this criterion. In 2013, the bank ranked 13th out of 91 lenders in lending to low-income borrowers with a 2.6 percent market share. It ranked 13th out of 150 lenders in lending to moderate-income borrowers with a 2.2 percent market share. These market rankings are relatively consistent with the bank's overall market rank of 16th in the assessment area in 2013.

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. The following table shows that 47.4 percent of the sampled loans were originated to businesses with GARs of \$1 million or less. This percentage is below the percentage of businesses in this revenue category. However, the bank's percentage of loans to businesses with GARs of \$1 million or less improved to 70.0 percent in 2015. The bank's level of lending reflects reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000					
2014	72.4	9	47.4	2,389	61.0
2015	-	7	70.0	262	59.3
> \$1,000,000					
2014	5.3	10	52.6	1,527	39.0
2015	-	3	30.0	180	40.7
Revenue Not Available					
2014	22.3	0	0.0	0	0.0
2015	-	0	0.0	0	0.0
Total					
2014	100.0	19	100.0	3,916	100.0
2015	100.0	10	100.0	442	100.0
<i>Source: 2014 D&B Data, Bank Records</i>					

COMMUNITY DEVELOPMENT TEST

The bank's community development performance in the Providence-Warwick RI-MA MSA portion is consistent with its entire assessment area and demonstrates good responsiveness to the community development needs of the Providence-Warwick RI-MA MSA area through community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in this portion institution's assessment area.

Community Development Loans

During the evaluation period, the bank originated 35 community development loans totaling \$6.8 million. The following table illustrates the bank's community development lending activity by year and purpose.

Community Development Lending												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
11/17/2009 – 12/31/2009	0	0	0	0	3	1,715	0	0	0	0	3	1,715
2010	1	210	0	0	2	150	0	0	0	0	3	360
2011	0	0	0	0	9	1,646	0	0	0	0	9	1,646
2012	0	0	0	0	8	1,102	0	0	0	0	8	1,102
2013	1	220	0	0	3	738	0	0	0	0	4	958
2014	2	411	0	0	2	92	0	0	0	0	4	503

YTD 2015	1	250	0	0	3	225	0	0	0	0	4	475
Total	5	1,091	0	0	30	5,668	0	0	0	0	35	6,759
<i>Source: Bank Records from November 17, 2009 through August 10, 2015</i>												

Listed below is a sample of the qualified community development loans made during the evaluation period that directly benefited the Providence-Warwick RI-MA MSA portion of the bank's assessment area:

- On September 30, 2013, the bank originated a \$881,250 loan to a local developer for the development of a 40B residential subdivision. The project falls under the State of Massachusetts 40B program which supports affordable housing developments by using flexible rules if at least 20-25 percent of the units have long-term affordability. Of the 16 housing units, 4 units or 25 percent are designated as affordable \$220,313 qualified as community development.
- A substantial majority of the community development loans were SBA 504, 7A and Express Loans. The SBA 7A and Express loans apply to business and real estate loans with a 75 percent SBA guarantee up to \$750,000. These SBA loans offer smaller down payments, flexible terms, and guarantees that assist small businesses in opening, expanding, or continuing their business. The U.S. Small Business Administration 504 Loan program is designed to provide financing for the purchase of fixed assets (real estate, buildings, and machinery). The development of these businesses will create employment opportunities and contribute to the overall economic development of the community.

Community Development Investments

On August 3, 2015, the bank purchased a Ginnie Mae mortgage backed security totaling \$1,040,479. The security is backed by mortgages located within the Providence-Warwick RI-MA MSA to low- and moderate-income borrowers.

Qualified Donations

The bank donated \$369,950 to qualified CRA charitable organizations from November 17, 2009 through August 10, 2015. The table below details all qualified donations made during the review period by year and community development category.

Qualified Investments												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
11/17/2009 – 12/31/2009	0	0	0	0	1	375	0	0	0	0	1	375
2010	3	13,000	12	25,874	2	1,497	1	1,775	0	0	18	42,146
2011	3	14,000	12	12,670	7	5,590	1	500	0	0	23	32,760
2012	5	16,500	25	68,550	3	1,250	1	100	0	0	34	86,400
2013	4	16,200	18	55,750	2	1,875	1	1,250	0	0	25	75,075
2014	4	20,495	20	39,524	5	29,000	1	250	0	0	30	89,269
YTD 2015	2	5,525	9	36,900	2	1,500	0	0	0	0	13	43,925
Total	21	85,720	96	239,268	22	41,087	5	3,875	0	0	144	369,950
<i>Source: Bank Records from November 17, 2009 through August 10, 2015</i>												

A sample of the organizations receiving donations is listed below:

Heart of Taunton (HOT) – HOT is a privately funded, non-profit organization dedicated to downtown Taunton's improvement. Its mission is to serve as a key facilitator of local, regional and national relationships and resources to transform Taunton's downtown into a regional destination for commerce and culture.

South Eastern Economic Development Corporation (SEED) – This non-profit economic organization focuses on assisting and supporting small businesses during their start-up phase to help secure traditional financing and promoting the expansion of existing businesses by working with lending institutions to provide the best possible financing package.

St. Anne's Food Pantry – St. Anne's Food Pantry serves the Greater Fall River area, holding monthly grocery distributions.

Greater Fall River Community Food Pantry – The Greater Fall River Community Food Pantry provides biweekly hot lunches to those in need.

Dighton Community Food Bank – The food bank helps feed more than 50 local families on a monthly basis.

Community Development Services

During the evaluation period, 36 employees provided 162 instances of financial expertise or technical assistance to 32 organizations in the Providence-Warwick RI-MA MSA. Some of the examples are noted below:

South Eastern Economic Development Corporation (SEED) – This non-profit economic organization focuses on assisting and supporting small businesses during their start-up phase to

help secure traditional financing and promoting the expansion of existing businesses by working with lending institutions to provide the best possible financing package. The Vice President of Commercial Services is a Member of the Loan Committee and a Senior Vice President is a Board Member.

Saint Vincent's Home – Saint Vincent's provides a variety of services to children in the Greater Fall River area, including housing for displaced or at-risk youth, therapy and behavioral health support, and educational programs. The organization's mission is to guide those it works with towards becoming productive members of their respective communities. The Executive Vice President is the Director. A majority of the individuals served are low and moderate-income individuals.

Girls Incorporated – Girls Inc. has responded to the changing needs of girls and their families by providing essential resources and challenging programs to disadvantaged, low-income girls. The organization delivers educational and recreational programs, provides college scholarships, funds research on issues facing today's young girls, and advocates for those issues at the local and national levels. A Branch manager is on the Board of Trustees.

METROPOLITAN AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE *BOSTON-CAMBRIDGE-NEWTON, MA-NH MSA*

This portion of the bank's assessment area is part of the Boston-Cambridge-Newton, MA-NH CT MSA and includes the towns of Bridgewater, East Bridgewater, Halifax, Lakeville, Middleborough, and West Bridgewater. All of the towns are located in Plymouth County. The Bridgewater branch is the only branch located in this MSA.

This section of the bank's assessment area is made up of 19 census tracts: 1 low-income, 0 moderate-income, 13 middle-income, 4 upper-income, and 1 census tract where income is not available. The population of this area is 88,509 with 21,225 reported as families according to the 2010 U.S. Census data. Of those families, 14.3 percent are low-income, 17.3 percent are moderate-income, 24.7 percent are middle-income, and 43.7 percent are upper-income.

CONCLUSIONS WITH RESPECT TO PERFORMANCE IN THE *BOSTON-CAMBRIDGE-NEWTON, MA-NH MSA*

LENDING TEST

During 2013, the bank originated 13 residential loans in this area, representing 9.3 percent of the total residential loans in the assessment area. The bank originated 18 residential loans in this portion of its assessment area in 2014, which represents 8.3 percent of the all loans originated within the assessment area. An analysis of 2015 residential loan data was not conducted as only five loans were originated in this area. None of the five loans were in the low-income tract, or to a low- or moderate-income borrower. An analysis of small business loans was also not conducted as only three loans out of the sample of 23 small business loans originated in 2014 were located in this area.

There is one low- and zero moderate-income census tracts within this area which makes analysis challenging considering the low volume of lending. The bank originated 6.9 percent of residential loans in low-income census tracts, 62.1 percent of the loans in middle-income census tracts and 31.0 percent in upper-income census tracts in 2013. That percentage of lending is in line with the percentage of census tracts in each income category and is above aggregate lending of 0.4 percent of loans in low-income tracts. In 2014, the bank did not originate a loan in the low-income tract however due to the low volume of lending, this does not conclusively indicate less than reasonable performance. In 2014 the bank originated 61.1 percent in the middle-income and 38.9 percent originated in the upper-income census tracts.

Of the 13 residential loans originated in 2013, 6.9 percent were to low-income borrowers, 20.7 percent were to moderate-income borrowers, 24.1 percent were to middle-income borrowers, and 27.6 percent were to upper-income borrowers. Those percentages for low- and moderate-income borrowers were slightly above for low- and slightly below for moderate-income borrowers compared to aggregate data for that year. Lending to low- and moderate-income borrowers

increased in 2014 to low-income borrowers at 22.2 percent and decreased to moderate-income borrowers to 11.1 percent.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrates adequate responsiveness to the community development needs in its Boston-Cambridge-Newton, MA-NH CT MSA portion of its assessment area through community development loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in this portion of the institution's assessment area.

Community Development Loans

During the evaluation period, the bank originated nine community development loans totaling \$4.7 million in this portion of the assessment area.

- In 2009, the bank originated one loan totaling \$460,000 to a local developer for the construction of four housing units of which one unit or 25.0 percent of the project is designated as affordable housing. Of the \$460,000, \$115,000 is qualified as community development.
- In 2013, the bank originated one Mass CAP loan for a total of \$10,000. The Mass CAP is designed to help small businesses with less than \$5 million in revenues obtain loans from banks. The loans may be used to start or expand businesses, or to provide working capital to ensure continued profitable operations.
- In 2012, the bank provided two SBA 504 loans totaling \$1.1 million to local businesses. The U.S. Small Business Administration 504 Loan program is designed to provide financing for the purchase of fixed assets, (real estate, buildings, and machinery). The development of these businesses will create employment opportunities and contribute to the overall economic development of the community.

Community Development Investments

The bank made one qualified charitable donation (\$2,500) to the St. Vincent de Paul food bank located in Bridgewater Massachusetts. The food bank provides meal and grocery assistance to low- and moderate-income families and those in need in the Greater Bridgewater area.

Community Development Services

During the evaluation period, four employees provided eleven instances of financial expertise or technical assistance to four organizations in the Boston-Cambridge-Newton, MA-NH CT MSA portion of the assessment area. Some of the examples are noted below:

Horizons for Homeless Children – The mission of this organization is to improve the lives of young homeless children and help their families succeed by providing high-quality early education, opportunities for play and comprehensive family support services. They also advocate on behalf of young children, train educators and human service providers and provide research on the impact of early education on homeless children. A Branch Manager is a financial trainer.

Bridgewater Business Association (BBA) – BBA was formed in 1984 as a non-profit organization that is devoted to the interests of the business community and the people they serve in the towns around Bridgewater. They are committed to promoting goodwill among business owners, interacting with town government and encouraging growth of member businesses. The Vice President is a Member.

Coastal Community Capital – This non-profit community development lender is certified by the U.S. Department of Treasury as a community development financial institution. They promote economic development through small business growth, management of the region's small business loan fund and provide entrepreneurial support through free business counseling and annual workshops. The Vice President of Commercial Lending is a member of the Loan Committee.

Old Colony Elder Services – The purpose of this organization is to assist low-to moderate-income elderly with bill paying and other money management tasks by enabling clients to meet their financial obligations. The program helps older people within the community to continue living independently and with dignity. A Branch Manager is on the Advisory Council and a money management volunteer.

APPENDIX A

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The bank has a Fair Lending Policy that is incorporated into the Loan Policy. The bank provides ongoing educational opportunities to employees, members of the Board and management on fair lending regulations. The bank employs a second review process. The bank makes exceptions to the loan policy.

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2013 and 2014 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2010 U.S. Census Data, the bank's assessment area contained a total population of 406,335 individuals of which 10.1 percent are minorities. The assessment areas minority and ethnic population is 2.5 percent Black/African American, 1.5 percent Asian, 0.2 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 3.5 percent Hispanic or Latino and 2.4 percent other.

In 2013, the bank received 227 HMDA reportable loan applications from within its assessment area. Of these applications, 11 or 4.8 percent were received from minority applicants, of which 7 or 63.6 percent resulted in originations. The aggregate received 21,525 HMDA reportable loan applications of which 739 or 3.4 percent were received from minority applicants and 442 or 59.8 percent were originated. For the same time period, the bank also received 3 or 1.3 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 2 or 66.7 percent were originated versus the aggregate that received 380 applications or 1.8 percent of which 258 or 67.9 percent were originated.

For 2014, the bank received 201 HMDA reportable loan applications from within its assessment area. Of these applications, 7 or 3.5 percent were received from minority applicants, of which 3 or 42.9 percent resulted in originations. For the same time period, the bank received 5 or 2.5 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 3 or 60.0 percent were originated.

The bank's level of lending was compared with that of the aggregate's lending performance level for the most recent year that data was available, the year 2013. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants. Refer to the table below for information on the bank's minority application flow as well as the aggregate lenders (excluding the bank) in the bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	Bank 2013		2013 Aggregate Data	Bank 2014	
	#	%		#	%
American Indian/ Alaska Native	0	0.0	0.1	0	0.0
Asian	4	1.8	0.9	2	1.0
Black/ African American	5	2.2	1.7	2	1.0
Hawaiian/Pacific Islander	1	0.4	0.1	0	0.0
2 or more Minority	0	0.0	0.0	0	0.0
Joint Race (White/Minority)	1	0.4	0.6	3	1.5
Total Minority	11	4.8	3.4	7	3.5
White	214	94.3	78.1	168	83.6
Race Not Available	2	0.9	18.5	26	12.9
Total	227	100.0	100.0	201	100.0
ETHNICITY					
Hispanic or Latino	2	0.9	1.1	4	2.0
Not Hispanic or Latino	223	98.3	79.9	170	84.6
Joint (Hisp/Lat /Not Hisp/Lat)	1	0.4	0.7	1	0.5
Ethnicity Not Available	1	0.4	18.4	26	12.9
Total	227	100.0	100.0	201	100.0

Source: US Census 2010, HMDA LAR Data 2013 and 2014, HMDA Aggregate Data 2013

The bank's minority application flow is good when compared to the aggregate's lending performance levels and the assessment area demographics.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) an unemployment rate of at least 1.5 times the national average;
- (2) a poverty rate of 20 percent or more; or,

(3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: Performance under the applicable tests is analyzed considering performance context, quantitative factors (geographic loan distribution, borrower profile loan distribution, and total number and dollar amount of investments), and qualitative factors (innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: Performance under the applicable tests is analyzed using only quantitative factors (for example, geographic loan distribution, borrower profile loan distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Non-metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and non-metropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income nonmetropolitan geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for

- Population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and
- Distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Deposit Insurance Corporation, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.